## TESTIMONY BEFORE THE UNITED STATES CONGRESS ON BEHALF OF THE

## NATIONAL FEDERATION OF INDEPENDENT BUSINESS

## The Voice of Small Business.

Testimony of

Mr. Bob Everett Owner of Bayville Auto Care, Bayville, NJ

before the

Subcommittee on Commerce, Trade, and Consumer Protection House Energy and Commerce Committee

on the subject of

Right to Repair: Industry Discussions and Legislative Options

on the date of

November 10, 2005

Mr. Chairman and members of the Subcommittee, I'm Bob Everett, owner of Bayville Auto Care in Bayville, New Jersey. I'm here on behalf of the 600,000 members of the National Federation of Independent Business (NFIB). NFIB represents over 24,000 small automotive repair shops like mine, and they strongly support H.R. 2048, the Motor Vehicle Owners Right to Repair Act of 2005. When NFIB asked it members in January of 2003 if "automobile manufacturers should be required to disclose to car buyers and repair shops information needed to repair or maintain their vehicles," 77% of NFIB members said "yes".

As a small business owner, I have been involved in the car repair business since 1974. I established Bayville Auto Care in 1986, and began my career at a family owned gasoline service station. Currently, I am the immediate past president of the Alliance of Automotive Service Providers of New Jersey, an industry trade association representing over seven thousand service providers nationally. Included among my many certifications, I received the 2000 NAPA/ASE Certified Automotive Technician of the Year award, the most prestigious in our industry.

The Motor Vehicle Owners Right to Repair Act attempts to address an inequity in the car repair market by guaranteeing **consumers** the right to choose how and where they have their vehicles repaired. As more and more of a vehicle's functions are controlled by onboard computers, independent repair facilities have found it more difficult to obtain the information necessary to repair their customer's cars. When this information cannot be obtained from the manufacturers, NFIB members find themselves in the

difficult position of having to tell their customers they are unable to make repairs and refer them to a local dealer.

In addition to the 24,000 NFIB members who own independent garages, there are many other small business groups that support H.R. 2048. The Automotive Aftermarket Industry Association (AAIA), the Service Station Dealers (SSDA), the Tire Industry Association (TIA) the Automatic Transmission Rebuilders (ATRA) and the Automotive Engine Rebuilders Association (AERA) bring over 30,000 other small businesses to the table, all in full support of HR 2048. I am also a member of the Automotive Service Association, and I feel that it is important for the Subcommittee to know that ASA does <u>not speak</u> for all repair shop owners.

I was fortunate to be able to participate in the recent negotiations at the invitation of CARE & AAIA. There are three issues from those negotiations, which I would like to briefly address. It should also be noted that I was the only shop owner and technician to participate in these meetings.

Opponents to this legislation like to say that the National Automotive Service Task Force (NASTF) has eliminated the need for this bill. We disagree. NASTF has received very few complaints because it has proven to be clumsy and ineffective. NASTF considers a complaint closed once any response, regardless of whether it helps, is received by the person that makes the initial complaint. The industry has recognized the futility of this venture. NASTF's mission does not include oversight and enforcement and does little to help a technician get his customers vehicle fixed in a timely manner. As in much of this world, most people need to know 'what's in it for me'. It is

perceived that there is nothing in NASTF for the average technician and the process is extremely frustrating. The leadership of NASTF is dominated by opponents of this legislation and this has to change for the group to gain credibility. All of these factors combine to make the perception that NASTF is a waste of time. Perhaps that is harsh, but it is reality. HR 2048 will provide the enforcement mechanism needed to truly fix the problem.

The issue of tool information was also a major sticking point. It has become very clear in the real world that the accessibility, at a reasonable cost, to diagnostic tools is a key factor. Paying \$25-\$100 for a piece of information is useless if I can not get the tools needed to make it work. Our efforts during the negotiations were to have the Original Equipment Manufacturers (OEMs) agree to release the information to tool manufacturers needed for them develop the appropriate diagnostic tools. We were willing to let open competition in the market place control the prices of tools for our shops and, ultimately, the cost of related repairs for the consumer.

Security issues were also major issues of disagreement. We are not just talking about making keys for vehicles. With modern computer technology, all systems are becoming interrelated. If the vehicle does not start due to a malfunction in the security system, we need access to determine exactly the cause, whether it is from a faulty key, ignition switch, security module or other item. Furthermore, because of the relationships between various components in the modern vehicle, security information is needed to properly make each item recognize or 'talk' to the other. To put it simply, if the dealer tech needs the information to repair a vehicle (and they do), so do we. There are many ways to insure security on the modern vehicle, and our

industry would be willing to work with the OEMs on solving this issue, but to date they have not agreed to give us the information.

Restoring competition to the marketplace is good for the consumer and good for small business. It is very important to note that H.R. 2048 does not require auto manufacturers to disclose any trade secrets or proprietary information, and NFIB members are not asking for that. They do, however, insist on level playing field. We are not looking for a competitive advantage over the manufacturers or dealers – we just want to be able to serve our customers and run our businesses.

H.R. 2048 is based on a consumers' right to repair a vehicle that he or she purchased, and will ensure that this right remains as automotive technology continues to evolve. Enacting this bill into law would be a dual victory for small business and the consumers they serve each day. Thank you for the opportunity to testify.

## **CORE VALUES**We believe deeply that:

Small business is essential to America.

Free enterprise is essential to the start-up and expansion of small business.

Small business is threatened by government intervention.

An informed, educated, concerned, and involved public is the ultimate safeguard for small business.

Members determine the public policy positions of the organization.

Our employees and members, collectively and individually, determine the success of the NFIB's endeavors, and each person has a valued contribution to make.

Honesty, integrity, and respect for human and spiritual values are important

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in all aspects of life, and are essential to a sustaining work environment.